

Meeting Summary-Treasury Report on Receivables Pilot Group
Loews L'Enfant Plaza Hotel, Washington, DC 20227
December 15, 2004-8:30 am to 1:00 pm

1. Welcome and Celebration
 - Left the first 10 minutes for coffee, conversation, Christmas cheer, etc.
 - Started meeting at 8:40 am.
 - Tom Kobiellus introduced participants in Washington and on the conference call.
 - Gina Myers offered her thanks.
2. Recognition from DMS Assistant Commissioner
 - Played video of Marty Mills-DMS Assistant Commissioner thanking the group.
3. Recognition of Individual and Group Effort
 - Tom Kobiellus thanked the following individuals from the TROR Pilot Group for their work and effort:
 - AGENCY PERSONNEL**
 - **Steve Arisumi** Department of Education
 - **Ted Baker** General Services Administration
 - **Ron Cheatham** Defense Finance and Accounting Service
 - **Doug Cromwell** Defense Finance and Accounting Service
 - **Kathrine Green** Department of Commerce
 - **Nancy M. Gribbin** Social Security Administration
 - **Belynda Hart** Department of Housing and Urban Development
 - **Jonathan House** Department of the Interior
 - **Ruth Jones** Department of Defense
 - **Michelle Kaplan** Department of Commerce-absent
 - **Patricia A. Maurer** Agriculture-Farm Service Agency
 - **Kimberly Mitchell** Department of Transportation
 - **Eugene Morroni** Department of Housing & Urban Development
 - **Tom Mroczka** Department of Veterans Affairs
 - **Aaron Prose** Department of Agriculture-absent
 - **Michael Rudolf** Social Security Administration
 - **Jeanette Spadavecchia** Railroad Retirement Board
 - **Paulette A. Swann** U. S. Coast Guard-absent
 - **Dale Theurer** Department of Agriculture-absent
 - **Michael Ward** General Services Administration-absent
 - **William Webber** Department of the Interior-absent

- **Stan Wegerski** Social Security Administration

FMS PERSONNEL

- **Debbie Davenport**
- **Tom Dungan**
- **Shirley Williams-Jefferson**
- **Thomas Kobielus**
- **Scott Kon-absent**
- **Tricia Long**
- **Matt Lorelli**
- **Terrence Prince**
- **Renea Mims-absent**
- **Gina Myers**
- **Jane Tan**
- **Aspy Taraporewalla**

4. **What We Accomplished-Overview of Process**

- Gina Myers went over ground rules established at the first meeting and reviewed the highlights of the group's accomplishments.

High Level Changes to the Report

- Revisions to Part I, Sections A, B and C.
- Revisions to Part II, Sections B.
 - a. Part I, Section A-line 4 Collections-Extension to what is broken out in collections, to provide greater detail of where the collections are originating and to minimize the number of footnotes.
 - b. Line 5-Adjustments-Provided further clarification to what goes into adjustments and to minimize the number of footnotes.
 - c. Added new Section B, to separate the data that is currently in Part I, Section A, lines 7-A and B, lines 8-A and B and line 9. This was primarily to differentiate the section from the Ending Balance-line 7. All of these lines are informational and subsets of line 7.
 - d. Modified Section B-Delinquent Debt by Age and renamed it "Delinquent Debt (Excluding CNC Debts)". Split it into 2 sections, one by age and one by category. Simplified the structure of the Delinquent Debt section. Re-titled the section "Section C."

- e. Made major changes to Part II, Section B to make it easier to understand and to prepare. Although the report is longer, added lines help to simplify understanding of what is finally eligible for referral to TOP and Cross-Servicing.

5. Further Changes and Steps to Implement Revised TROR Form and instructions

- a. DMS Directors and AC Revisions-Gina Myers spoke about the internal and external reviews that the report.
- b. Requirements Development-Aspy Taraporewalla spoke about the requirements and systems development work that will be done by BDMOC.
 - i. DMS will set priorities.
 - ii. Consider adding FAQs to the Web site.
- c. Attorney revisions and Legal Changes-Tricia Long went over the internal review that will be done by the Office of General Counsel and their role as advisors to the program.

6. Final Overview of the Form

Tom Kobiellus discussed the changes that were made to the report in the Pilot Group and added new changes.

- Revisions to Part I, Sections A, B and C.
- Revisions to Part II, Sections B.
- **Part I, Section A-line 4 Collections-Extension to what is broken out in collections, to provide greater detail of where the collections are originating and to minimize the number of footnotes.**
- Added line 4D-Collections by Treasury through Offset and Cross-Servicing.
- Added line 4E-Collections by Sale After Foreclosure.
- Added line 4F, Collections by Department of Justice.
- Adding Collections by AWG was suggested, but it was determined that it most likely would be included under line 4D-Collections by Treasury through Offset and Cross-Servicing.

Part I - Status of Receivables		
	Number	Dollars
Section A Receivables and Collections		
(1) Beginning FY Balance		
(2) New Receivables (+)		
(3) Accruals (+)		
(4) Collections on Receivables (-)		
(A) At Agency (-)		
(B) At Third Party (-)		
(C) Asset Sales (-)		
(D) Collections by Treasury through Offset and Cross-Servicing (-)		
(E) Collections by Sale After Foreclosure (-)		
(F) Collections by Department of Justice (-)		
(G) Other - must footnote (-)		

- **Line 5-Adjustments-Provided further clarification to what goes into adjustments and to minimize the number of footnotes.**
- Removed the number of accounts from line 5.
- Added line 5D, Foreclosure Adjustments.
- Added line 5E, Written-Off Debts Reinstated for Collections.

(5) Adjustments (+ or -)		
(A) Reclassified/Adjusted Amounts (+ or -)		
(B) Adjustments Due to Sale of Assets (+ or -)		
(C) Consolidations (+ or -)		
(D) Foreclosure Adjustments (+ or -)		
(E) Written Off Debts Reinstated for Collections (+ or -)		

- Tom Kobiulus was reminded to gray out the number and amount section of line 6, since it is system generated from lines 6A and 6B.

(6) Amounts Written Off (-)		
(A) Currently not Collectible (-)		
(B) Written off and Closed Out (-)		

- Added bolding to line 7-Ending Balance.

(7) Ending Balance	80,338,941	310,290,266,922
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- **Added new Section B, entitled “Additional Receivables Data (Information Only)”, to separate the data that is currently in Part I, Section A, lines 7-A and B, lines 8-A and B and line 9. This was primarily to differentiate the section from the Ending Balance-line 7. All of these lines are informational and subsets of line 7.**

Section B Additional Receivables Data (Information Only)		
(1) Subsets of Ending Balance		
(A) Foreign/Sovereign Government		
(B) State and Local Government		
(C) Rescheduled Debt - Delinquent		
(D) Rescheduled Debt - Non-Delinquent		
(E) Interest & Late Charges		

- Modified Section B-Delinquent Debt by Age and renamed it “**Delinquent Debt**”.
- The section was relabeled Section C, with the creation of the new Section B.
- Section C was split it into 2 sections, one by age and one by category. **This simplified the structure of the Delinquent Debt section.**
- Added “**Excluding CNC Debts**” in title, to make readers aware that written-off debts are not included among the delinquent debts.
- The new Part I, Section C, Delinquent Debt by Age and Category, does not include CNC debts. It was suggested that this should be emphasized - **bold type** - in the Instructions. However, Tricia Long stated that the term "debt" should include CNC. She said she will review the statute to see if it requires aging of all debts, which this section of the report currently does not do.

Section C Delinquent Debt (Excluding CNC Debts)		
(1) Total Delinquencies by Age (+)		
(A) 1-90 Days (+)		
(B) 91-180 Days (+)		
(C) 181-365 Days (+)		
(D) 1-2 Years (+)		
(E) 2-6 Years (+)		
(F) 6-10 Years (+)		
(G) Over 10 Years (+)		
(2) Total Delinquencies by Category		
(A) Commercial (+)		
(B) Consumer (+)		
(C) Foreign/Sovereign Government (+)		
(D) State and Local Government (+)		

- Made major changes to Part II, Section B to make it easier to understand and to prepare. Although the report is longer, added lines help to simplify understanding of what is finally eligible for referral to TOP and Cross-Servicing.
- Removed debts ineligible for TOP and Cross-Servicing in line 1.
- Created new lines 2 and 3 for Debts Eligible for Referral to TOP and Cross-Servicing.
- Removed “Debts without SSNs” from line 2, as suggested.
- Discussed the use of the word “**eligible**” as used in term “Debt Eligible for Referral” through out Part II, Section B.

- Tricia Long said that, as an attorney, she is not comfortable with the term "Eligible" as it is used in the TROR (preferring "Required"). This is because some of the lines refer to items that are technically "eligible" but excused, such as "at DOJ" versus items that are inherently ineligible, such as bankruptcy. A popular alternative among the group was **“In the Process of Internal Offset”**.
- Will research an alternative to the word “eligible”.
- Moved Foreign/Sovereign Debt" from Part II, Section B(1)(C) to (2) and (3), leaving Section B (1) with only truly ineligible items.

Section B Debt Eligible for Referral to Treasury for Offset and Cross-Servicing		
(1) Debt Eligible for Referral to Treasury for Collection		
(A) Delinquent Debt Over 180 Days (including CNC Debts)		
Debts Ineligible for Treasury Offset Program (TOP) and Cross-Servicing (lines B through E)		
(B) In Bankruptcy (-)		
(C) In Forbearance or Formal Appeals Process (including Litigation) (-)		
(D) In Foreclosure (-)		
(E) Other - <u>must footnote</u> (+ or -)		
(F) Debt Eligible for Referral to Treasury for Collection		
(2) Debt Eligible for Referral to Treasury for Offset		
(A) Debt Eligible for Referral to Treasury for Collection (from 1F)		
(B) Foreign/Sovereign Debt (-)		
(C) Debt in Litigation for Enforced Collection (-)		
(D) Other - <u>must footnote</u> (+ or -)		
(E) Debt Eligible for Referral to Offset by Agency		
(F) Debt Referred to Treasury for Offset (-)		
(G) Debt Referred to TOP through Cross-Servicing (-)		
(H) Balance of Debt Eligible for Referral by the Agency		
(3) Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing		
(A) Debt Eligible for Referral to Treasury for Collection (from 1F)		
(B) Foreign/Sovereign Debt (-)		
(C) Debt in Litigation for Enforced Collection (-)		
(D) At PCAs (-)		
(E) Eligible for Internal Offset (-)		
(F) Debt Exempted by Treasury from Cross-Servicing (-)		
(G) Debts Returned from Cross-Servicing (-)		
(H) Other - <u>must footnote</u> (+ or -)		
(I) Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing		
(J) Debt Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing (-)		
(K) Balance of Debt Eligible for Referral by the Agency		

7. Agency Suggestions for Communications, Development and Implementation of Final Form.

- Tom Kobiulus and Gina Myers discussed what the agencies needed from FMS to develop and implement the report.
- Communication of changes to the Agencies-Workshops, Individual Meetings, Technical Bulletins, etc.
- How should FMS reach out to agency employees?
- Lead time for system upgrades-Agencies will send in their thoughts on how much time will be needed.

- Education of agency personnel on new report forms.
8. Communication to the Pilot Group
- FMS will send a final report to the Pilot Group, explaining all of the new changes.
 - The final report will provide reasons for what was used and what was changed.
 - Will distribute to the TROR Pilot Group before the formal distribution the agencies.
9. Lunch

Meeting Attendees-TROR Pilot Group-Creditor Agencies

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